



INSOLVENCY PROFESSIONAL AGENCY
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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"Learning never exhausts the mind."

➤ **NCLT Ahmedabad Rejects Button Industries' Insolvency Plea Against Viaz Tyres Over ₹1.16 Crore Dues**

The Ahmedabad Bench of the National Company Law Tribunal (NCLT) on 24 September rejected an insolvency petition filed by Button Industries Private Limited against Viaz Tyres Limited over alleged dues of Rs. 1.16 crore. Judicial Member Chitra Hanakre and Technical Member Dr VG Venakata Chalapathy held that the transaction did not qualify as a financial debt under the Insolvency and Bankruptcy Code, 2016 (IBC), as it did not involve disbursement of funds with consideration for the time value of money. The Tribunal observed: *This underlying transaction is a different nature of debt and not lent to qualify as a financial debt under Sec 5(8) of the IBC where there is a disbursement of funds with time value of money.*

Button Industries had advanced Rs. 1.16 crore to Viaz Tyres in March 2020 under five invoices for the supply of Basmati rice. The parties subsequently entered into a Memorandum of Understanding (MOU) dated 12 April 2022, under which Viaz Tyres acknowledged the liability and agreed to repay the amount by 12 April 2023. The MOU provided for interest at 18% per annum in case of default.

Viaz Tyres sought a further extension on 15 April 2023 and agreed to repay the amount by 30 April 2024, again with interest liability. After the default continued, the parties executed a revised MOU on 2 July 2024, which stipulated repayment by 2 January 2025. Viaz Tyres did not repay the amount. Thereafter, Button Industries issued a recall notice claiming Rs. 2.94 crore as outstanding as on 29 October 2025, comprising Rs. 1.16 crore towards principal and Rs. 1.78 crore towards interest. It also filed a record of default with the National e-Governance Services Ltd. (NeSL).

It argued that the amount advanced constituted a financial debt under Section 5(8) of the IBC, as the transaction had the commercial effect of borrowing and involved consideration for the time value of money. Viaz Tyres disputed the genuineness of the documents. It contended that the invoices were unsigned, the MOUs contained forged signatures and seals, and the revised MOU carried an outdated Corporate Identity Number.

Source: Live Law Biz

Read Full News: [NCLT Ahmedabad Rejects Button Industries' Insolvency Plea Against Viaz Tyres Over ₹1.16 Crore Dues](#)

➤ **NCLAT Refuses to Set Aside CIRP Admission on Post-Admission Settlement, Directs IRP To Approach NCLT**

The National Company Law Appellate Tribunal (NCLAT) at New Delhi has refused to set aside an insolvency admission order solely on the basis of a settlement reached after the Corporate Insolvency Resolution Process (CIRP) had begun.

A bench of Judicial Member Justice Mohammad Faiz Alam Khan and Technical Member Naresh Salecha held that a settlement reached after admission of a Section 9 application cannot by itself efface the admission order or bring the CIRP to an end.

Source: Live Law Biz

Read Full News: [NCLAT Refuses to Set Aside CIRP Admission on Post-Admission Settlement, Directs IRP To Approach NCLT](#)

➤ **NCLT Ahmedabad Admits Spright Agro into CIRP on Agrirevolve's ₹8.66 Crore Claim**

The National Company Law Tribunal (NCLT), Ahmedabad, on 24 September admitted Spright Agro Limited into the Corporate Insolvency Resolution Process (CIRP) on a petition filed by Agrirevolve Trading Private Limited, an operational creditor, over a default of more than Rs. 8.66 crore.

A Bench of Judicial Member Chitra Hankare and Technical Member Dr VG Venkata Chalapathy found that Agrirevolve had established the debt and default through authenticated records maintained by the National e-Governance Services Ltd. (NeSL), and that the outstanding amount exceeded the statutory threshold.

Source: Live Law Biz

Read Full News : [NCLT Ahmedabad Admits Spright Agro into CIRP on Agrirevolve's ₹8.66 Crore Claim](#)



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